



3323 N Midland Dr STE113 #215

Midland, TX 79707

December 7, 2020

Statement of Operations

Reddline Energy, Inc. ("Company") is an oil and gas producer and operator in West Texas. The Company owns leases and wells in Gaines County, Texas, and extracts oil for sale to midstream customers, who in turn transport and sell the oil to refineries. The Company pays a royalty of 25% to mineral owners and retains 75% of the working interest, subject to other working interests and charges. Reddline has two oil wells, Page Gibson and Page Black, and one water disposal well, Page Petty. The Page Gibson well was drilled in 2004 and is currently a producing well. The Page Black is currently a shut in well pending recompletion. The Page Petty is not a producing well, however, it is a functioning commercial disposal well.

The Company formed as an LLC in November, 2017 and converted to a C-Corporation in December 2017.

The reason the Company has filed for Chapter 11 Bankruptcy is because its business suffered a tremendous loss of revenue when the price of oil dropped earlier this year because of the Covid 19 pandemic in our country.